

VZCZCXRO8979

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN
RUEHLZ RUEHNEH RUEHPW RUEHROV RUEHSK RUEHSR RUEHVK RUEHYG

DE RUEHAH #0424/01 0931354

ZNR UUUUU ZZH

P 031354Z APR 09

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 2593

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 5033

RUEHBJ/AMEMBASSY BEIJING PRIORITY 2786

RUEHKO/AMEMBASSY TOKYO PRIORITY 2651

RUEHIT/AMCONSUL ISTANBUL PRIORITY 3277

RHMFUU/CDR USCENTCOM MACDILL AFB FL PRIORITY

RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

RHEBAA/DEPT OF ENERGY WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

RUEHBS/USEU BRUSSELS PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUEKJCS/JOINT STAFF WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 ASHGABAT 000424

SENSITIVE

SIPDIS

SCA/CEN; EEB

PLEASE PASS TO USTDA DAN STEIN

ENERGY FOR EKIMOFF/THOMPSON

COMMERCE FOR HUEPER

E.O. 12958: N/A

TAGS: [PGOV](#) [EPET](#) [EINV](#) [TX](#)

SUBJECT: TURKMENISTAN: TURKMENBASHY REFINERY MODERNIZING
AND TRYING TO OPERATE MORE CLEANLY

11. (SBU) SUMMARY: The Turkmenbashy Oil Refinery has continued for the past several years to refurbish and modernize its facilities, and is producing a wide range of petroleum products mostly for the export market. Modernization will help it boost its production, and, combined with specific environmental improvements, should help the refinery reduce its waste output. The Avaza Tourist Zone's proximity will keep the pressure on to operate more cleanly in the long term. END SUMMARY.

12. (SBU) Poloff met on April 1 with Turkmenbashy oil refinery director Temekgylych Hoshanov to learn about the ongoing modernization of the facility and plans for the future. Hoshanov knew little about the operations of the refinery, and deferred almost all questions to a young technical operations manager. (NOTE: Hoshanov has been the refinery's director since November 2008, when the previous director was fired for incompetence and corruption. END NOTE.) Over one million tons of crude oil was processed in 2008, he said. The refinery produces gasoline, polypropylene, kerosene, diesel fuel, liquefied gas, and lubricant oils, as well as aircraft fuel. Liquefied petroleum gas (LPG) goes to buyers in Afghanistan, Pakistan, Iran, and the Caucasus states, he added. The refinery is also a major producer of high-quality polypropylene (used primarily in plastic production). He said that Russia, Iran, and Tajikistan buy the refinery's oil coke as well. He noted that prices in recent months had dropped on the refinery's products, but nevertheless, sales were still solid.

13. (SBU) Over the last several years, he said, the refinery has been replacing important components, which allowed them to modernize with the best international technologies at the same time. One example was the replacement of components that produce jet fuel last year that has resulted in greater fuel production and less pollution from the process, he said. He claimed that all modern technology is in use now

throughout the refinery. He noted that U.S.-made scrubber technology significantly reduced the plant's emissions. The manager said that most recently, the refinery had installed a new asphalt processing line that was almost ready to go into operation. In December, he said the refinery had issued a tender for the purchase of a benzene processing system. The refinery produces a relatively modest amount of elemental sulfur, the manager said, because the crude oil here has a low sulfur content. Currently, 100 percent of the sulfur is sold to a state chemical complex in Turkmenabat.

14. (SBU) When asked about efforts the refinery is undertaking to reduce its polluting emissions, the manager indicated that a tender had recently been issued for a water cleaning system that would ensure that the water supply the refinery uses for cooling purposes is clean before re-entering local waterways. Hoshanov said the refinery was also focused now on socio-economic development, both on behalf of the employees of the refinery as well as Turkmenbashi city. He said the refinery was overseeing the construction of a city sports complex, as well as participating in the construction of some of the new housing planned for the city.

15. (SBU) COMMENT: Many of the refinery's facilities have now been replaced, likely improving its production outputs, but there is still probably much re-vamping yet to do on this expansive facility. Fortunately, the refinery seems to have the financial wherewithal to continue upgrading, and its location, not far from the Avaza Tourist Zone, will compel it increasingly to operate with less environmental impact. END

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COMMENT.
MILES